

U.S. DEPARTMENT OF ENERGY
**Office of Electricity Delivery and
Energy Reliability**



ENERGY ASSURANCE DAILY

January 20, 2006

Highlight/Major Developments

Closed Sabine-Neches Channel Forces Texas Refinery to Cut Runs; DOE Opens SPR

A barge accident on January 17 closed the Sabine-Neches Waterway at Port Arthur to deep-draft crude tankers. The Department of Energy has authorized a loan of 871,000 bbl of oil from the Strategic Petroleum Reserve to Total SA. Total began cutting back on output at its 255,000 b/d refinery on January 19. Other refineries served by the affected waterway are monitoring the situation but do not indicate that the situation has forced them to cut back on production at this time. The crude oil from the SPR is scheduled to begin flowing to Total's refinery on Saturday. Shortly after the statement about the SPR loan was released, the Coast Guard announced that they expect that the channel will be reopened sometime on January 21.

Bloomberg 13:07, January 20, 2006.

Reuters 13:48, January 20, 2006.

Reuters 13:07, January 20, 2006.

Reuters 13:03, January 20, 2006.

Reuters 12:54, January 20, 2006.

Reuters 12:02, January 20, 2006.

Electricity

Windstorm Knocks Out Power to 82,000 Customers in Upstate New York

A windstorm with gusts up to 68 mph damaged electricity infrastructure, knocking out power to 82,000 NYSEG and Con Edison customers in upstate New York on January 18. Most of the power was expected to be restored January 19.

<http://www.newsday.com/news/local/wire/newyork/ny-bc-ny--weather-outages0119jan19.0.4709562.story?coll=ny-region-apnewyork>.

TVA's 1,127 MW Unit 2 at its Sequoyah Nuclear Generating Station in Tennessee Returns to Full Capacity

The Tennessee Valley Authority announced that the 1,127 MW unit 2 at its Sequoyah nuclear generating station in Hamilton County, Tennessee had exited an outage and ramped up to 100 percent of capacity by early January 20. The unit was taken out of service on January 17 to replace a transformer.

Reuters 07:13, January 20, 2006.

Update: Exelon's 864 MW Unit 1 at its Quad Cities Nuclear Generating Station in Illinois Ramps Up to 85 Percent

Exelon shut the unit to inspect relief valves. The plant has ramped up to 85 percent of capacity.

Reuters 16:09, January 20, 2006.

Update: Exelon's 864 MW Unit 2 at its Quad Cities Nuclear Generating Station in Illinois Ramps Up to 48 Percent

Exelon shut the unit to inspect relief valves. The plant has ramped up to 48 percent of capacity.
Reuters 16:09, January 20, 2006.

OPG's 215 MW Coal-fired Atikokan Unit in Ontario Returned to Service January 20

Reuters 16:09, January 20, 2006.

OPG's 490 MW Coal-fired Nanticoke 2 Unit in Ontario Shut January 20

Reuters 16:09, January 20, 2006.

OPG's 515 MW Pickering 4 Nuke in Ontario Shut January 20

Reuters 16:09, January 20, 2006.

Petroleum

Production Resumes at 56,000 b/d Statoil Offshore Platforms Off Norway

Statoil's 45,000 b/d Aasgard B platform and its adjacent 11,000 b/d Mikkell installation in the Norwegian Sea have resumed oil and gas production. The platforms had been closed last weekend due to sparks and smoke in an exhaust system on Aasgard B which caused a fire scare. Production on January 20 was 50 percent of normal output and will gradually return to normal levels.

<http://news.moneycentral.msn.com/provider/providerarticle.asp?feed=AP&Date=20060120&ID=5413537>.

http://news.xinhuanet.com/english/2006-01/20/content_4079034.htm.

Nigeria Unions Threaten to Withdraw Oil Workers if Security Not Improved

The two main oil workers' unions in Nigeria have threatened to withdraw members from the Niger Delta unless the government moves to improve security. The unions said 22 people had been killed since a militant attack on January 11, when the four foreign oil workers were kidnapped. The recent union threats raise the possibility of even further production cuts in the troubled African country which normally produces 2.5 million b/d. Militant attacks on oil infrastructure operated by Shell have already curtailed 10 percent of Nigeria's daily oil production and the militants have vowed to increase attacks.

<http://news.bbc.co.uk/2/hi/africa/4631262.stm>.

PIW Reports Kuwait Data, Raises Oil Reserve Level Questions

Petroleum Intelligence Weekly reports that internal state oil company documents from Kuwait show that oil reserves are barely half the 99 billion barrels that the Gulf country claims it has. Kuwait's stated reserves are close to 10% of the world's total.

<http://www.energyintel.com/>.

Web Site Urging Attacks on the Alaska Pipeline Discounted by Authorities

Officials from the Trans-Alaska Pipeline, along with authorities from the FBI and the military are discounting the threat posed by a Web site that urges jihadists to attack the pipeline. Nonetheless, the Joint Terrorism Task Force will be monitoring the situation and the National Guard is standing by.

Source: KTVA Anchorage, 23:47, January 19, 2006

http://www.ktva.com/topstory/ci_3418784

ExxonMobil Shuts FCC Unit at its 149,500 b/d Torrance Refinery in California for Unplanned Maintenance - Sources

Reuters 15:00, January 20, 2006.

Natural Gas

Natural Gas Prices Close Lowest in 7 Months

Natural Gas futures closed at their lowest level since June on January 18. February natural gas fell to a low of \$8.50 per million Btu on the New York Mercantile Exchange, its lowest intraday level since June 9. It ended the day at \$8.694, down 5.2%.

<http://www.marketwatch.com/news/yhoo/story.asp?source=blq/yhoo&siteid=yhoo&dist=yhoo&guid=%7BB9D313CF%2DB45B%2D4A30%2D9BE4%2D01D8CAD4BBC9%7D>.

El Paso Fixes Gas Pipeline in Texas

El Paso Corp.'s Tennessee Gas Pipeline has been able to restore some of the units at its compressor station 25 in Cleveland, Texas. Three units at the station are still out of service due to parts being unavailable. The line had been under force majeure following equipment failure at the station in late November, which caused the loss of about 150 MMcf/d.

<http://biz.yahoo.com/bizj/060120/1218371.html?.v=1>.

Reuters 11:05, January 20, 2006.

Update: FERC Won't Reconsider Approval of the 800 MMcf/d Weaver Cove LNG Terminal in Massachusetts

The Federal Energy Regulatory Commission has said it won't reconsider their approval of the 800 MMcf/d Weaver's Cove liquefied natural gas import terminal to be built in Fall River, Massachusetts, despite protests from city and state officials that claim the terminal would pose a safety risk.

<http://www.newsday.com/news/nationworld/nation/wire/sns-ap-lng-approval.0.1987309.story?coll=sns-ap-nation-headlines>.

Update: Canada's National Energy Board to Hear Mackenzie Pipeline Plan

Canada's National Energy Board will hear Mackenzie Gas Project's application to build a 1,220 km pipeline from Inuvik to Alberta that would bring on stream 6 Tcf of natural gas. The energy board will consider the project's engineering and economics. A separate body, the Joint Review Panel, is to convene February 14 to consider the project's environmental and social consequences. Hearings are to conclude December 2006 and production is scheduled to begin in late 2011.

<http://www.cbc.ca/cp/business/060119/b011984.html>.

Natural Gas Pipeline Company's Compressor Shut for Unscheduled Repairs

Kinder Morgan reported that a compressor station on its Natural Gas Company pipeline in Alton County, Oklahoma has been shut for unscheduled repairs. Although the unit, station 812, will be out of service through January 26, the company does not anticipate that deliveries will be impacted by the outage.

Reuters 13:14, January 20, 2006.

Hurricane Recovery Updates

December 15 was the last scheduled hurricane emergency situation report prepared in 2005. There will be no further updates to refinery, natural gas plant, or pipeline data. The U.S. Minerals Management Service continues to provide status reports on Gulf of Mexico production every two weeks. This information is represented in the tables below. For past Gulf Coast Hurricanes situation reports, see the website of the Office of Electricity Delivery and Energy Reliability (OE) of the U.S. Department of Energy at:

<http://www.oe.netl.doe.gov>.

Gulf Coast and Louisiana Shut-in Production Per Day January 20, 2006*			
	Gulf Coast	Louisiana	Total
Gas (MMcf/day) % of normal	1,805 18.1%	613 27.4%	2,418 19.8%
Oil (bbls/day) % of normal	396,786 26.5%	79,109 38.9%	475,895 27.9%

NOTE: Normal Production in the Gulf Coast (Outer Continental Shelf as reported by MMS) is 10,000 MMcf/d of gas and 1,500,000 b/d of oil. Normal Production in Louisiana (as reported by DNR) is 2,235 MMcf/d of gas and 203,139 b/d of oil.

*Sources: [U.S. MMS](#), January 11, 2006 and [Louisiana DNR](#), January 20, 2006.

Gulf Coast Cumulative Shut-in Production Ivan vs. Katrina/ Rita		
	Ivan 9/13/04 - 02/14/05	Katrina/ Rita 8/26/05 – 1/11/06
Gas (MMcf)	172,259	585,308
Oil (bbls)	43,841,245	114,042,425

Source: [U.S. MMS](#), January 11, 2006.

Louisiana Pipeline Operation January 20, 2006			
Total	Open	Partially Open	Shut-in
55	18	16	21

Source: [Louisiana DNR](#), January 20, 2006.

Other News

Peabody to Develop 6 Million Tons per Year El Segundo Coal Mine in New Mexico

Peabody Energy has announced plans to develop the El Segundo Mine in Northwest New Mexico to produce 6 million tons annually, 4 million of which will supply Arizona Public Service Company's 995 MW Cholla Generating Station near Joseph City, Arizona for 19 years. The operation, which will be developed adjacent to Peabody's Lee Ranch Mine in New Mexico, has obtained all major permits from the state and will begin development in the fourth quarter of 2006. Coal production will begin in 2008. Peabody is continuing discussions with other potential customers.

http://finanzen.net/news/news_detail.asp?NewsNr=365646.

Energy Prices

U.S. Oil and Gas Prices January 20, 2006			
	Today	Week Ago	Year Ago
CRUDE OIL West Texas Intermediate U.S. \$/Barrel	68.16	63.92	47.01
NATURAL GAS Henry Hub \$/Million Btu	8.80	8.50	6.27

Source: Reuters

This Week in Petroleum from the Energy Information Administration (EIA)

<http://tonto.eia.doe.gov/oog/info/twip/twip.asp>

Updated on Wednesdays.

Weekly Petroleum Status Report from EIA

http://www.eia.doe.gov/oil_gas/petroleum/data_publications/weekly_petroleum_status_report/wpsr.html

Updated after 1:00 pm (Eastern Time) on Wednesdays.

Natural Gas Weekly Update from EIA

<http://tonto.eia.doe.gov/oog/info/ngw/ngupdate.asp>

Updated after 2:00 pm (Eastern time) on Thursdays.

Infrastructure Security and Energy Restoration Website from ISER/OE/DOE

<http://www.oe.netl.doe.gov>

Updated after 5:00 pm (Mon. thru Fri.) with latest Energy Assurance Daily; previous Energy Assurance Daily and emergency situation reports are also posted on the website.